



THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1000

February 28, 1995

Honorable Alan J. Dixon  
Chairman  
Defense Base Closure and Realignment Commission  
1700 North Moore Street, Suite 1425  
Arlington, VA 22209

Dear Mr. Chairman:

Under the procedures of Public Law 101-510, as amended, I hereby transmit for your review my recommendations to close or realign 146 installations. Attached to this letter is a summary of the selection process and the description of and justification for each recommendation.

These recommendations were not arrived at easily. We were forced to consider and choose among many excellent facilities. But there is no alternative: if we fail to bring our infrastructure in line with our force structure and budget, we will lack the funds to maintain our readiness and modernization in years to come.

**Being Objective and Fair**

The base closure process was designed by the Congress to be objective, open and fair. Each potential recommendation is measured by published criteria, which gives priority first to military value, then to cost savings and to the economic and other impacts upon local communities. The data employed have been certified and our procedures have been overseen by the DoD Inspector General and the General Accounting Office. Both, of course, will be reviewed in detail by the public and your Commission.

That process has worked well so far, and we have followed it to the letter.

Within the Department, recommendations were made first by each Military Department and certain Defense Agencies (hereafter, "the Services"). Each Service made its best judgment about the facilities it has and the capacities it needs, applying the published force structure and criteria required by the law. They operated under the guidance of a BRAC Review Group chaired by the Deputy Secretary.

At the beginning of February, the Services made their recommendations to me. Since that time, my staff and the Joint Staff have reviewed the recommendations and underlying analyses to ensure that the law and DoD policies were followed. We particularly looked for concerns or

effects that the Military Departments might not fully have taken into account, such as the war fighting requirements of the Unified and Specified Commanders, treaty obligations of the United States, and possible economic impacts from independent actions of several Services on a particular locale.

### **Preserving Military Capabilities**

My recommendations are consistent with the force structure plan for the Armed Forces for the six-year period of the Future Years Defense Plan. In Fiscal year 1999, the active Army will have 10 divisions; we will have room to station all of them. The active Navy will have 11 carriers; we will have room to berth them. The active Air Force will have 936 fighters; we will have room to beddown all of them. The active Marine Corps will contain 3 divisions; we will be able to base them. In exercising military judgment, the Services have retained domestic capacity to accommodate their forward deployed forces if need be. I am confident, therefore, that the remaining base structure can accommodate any foreseeable force resizing -- even a significant degree of reconstitution.

The Chairman, Joint Chiefs of Staff concurs in this view and supports these recommendations fully.

Based upon the 1993 BRAC Commission's recommendation and my own view that the support structure of the Department needed to be reduced just as the combat force had been, I designated common support functions as areas of special attention in BRAC 95. Joint Cross Service Groups analyzed the Department's depot, medical, pilot training, laboratory, and test and evaluation facilities. These groups assessed both the functional value and the capacity of these facilities. They compared this to projected needs and suggested to the Services both reduction goals and possible alternatives to meet them. The Services then considered these alternatives in their own review process. In some cases they adopted these suggestions as recommended or in modified form; in other cases they declined to do so because the bases had unique military value to the Services, or for other reasons. Overall, the cross service effort did assist in reducing excess capacity and determining where joint or collocated functions made functional and economic sense. Further, this DoD-wide review of support functions provides a road map for cross-servicing in the future.

In the logistics area, in particular, savings were achieved using several strategies. The Army, Navy, and Defense Logistics Agency (DLA) all proposed closing major depots and/or shipyards. The Air Force, however, proposes to achieve significant savings by consolidating and reducing activity at its five air logistics centers in place, as well as providing consolidation sites for DLA storage activities. Because of the Air Force's unique logistics complexes, this approach proved significantly more cost effective than closures.

### **These Recommendations Will Save Billions**

My recommendations, if approved, will provide very substantial savings to the taxpayers and the Department. Initially, implementing these closures and realignments will require expenditures estimated at \$3.8 billion (excepting certain environmental costs). However, even within the 6 year planning period for which we program a budget, this round will provide approximately \$4 billion in savings (FY96\$) in excess of the costs required for base closure. These savings will continue at the rate of approximately \$1.8 billion per year, and over the twenty year period for which we forecast should total some \$18 billion (measured on a present value basis in today's dollars).

Net savings, FY 1996-2001	<b>\$ 4.0 billion</b>
Annual savings thereafter	<b>\$ 1.8 billion</b>
Total (over 20 years, present value)	<b>\$18.4 billion.</b>

The 1995 program, coupled with the previously approved closures, will reduce the domestic base structure by about 21 percent (measured by replacement value). All four rounds of closures together, when complete in 2001, will produce about \$6.0 billion in annual recurring savings (FY96\$) and a total savings over 20 years in present value of almost \$57 billion.

### **Assisting Community Recovery**

As we implement these closures, we recognize a special obligation to those men and women -- military and civilian -- who won the Cold War. We will meet that obligation.

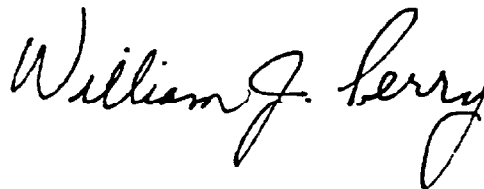
In addition to transition programs for DoD personnel, the Department is determined to carry out the President's promise to help base closure communities reshape their economic future. This assistance comes in many forms: technical assistance and planning grants; on site base transition coordinators to provide a focal point for Federal assistance; accelerated property disposal to make surplus property available for civilian reuse; and fast track environmental clean-up in coordination with Federal and State regulators and community reuse authorities.

In some cases, reused bases are now home to more civilian jobs than there were before closure. Many communities have found that base property can be the bedrock for a healthier and more diverse economy. What it requires is strong local leadership and a lot of hard work. We at the Department stand ready to help.

I have sent identical letters, with enclosures, to the Chairmen of the House National Security and Appropriations Committees and the Senate Armed Services and Appropriations Committees, and published this letter, with its enclosures, in the Federal Register.

In closing, I would like to note the critical role that your Commission plays. Your review is an essential confirmation of the integrity of our procedures and the soundness of our judgments. We know that your review of our recommendations will be as searching, thorough and careful as the process by which we made them. We stand ready to provide any information you require and to discuss any judgment we have made. In the end, we hope you endorse our recommendations in this process that is so critical to our Nation's security.

Sincerely,

A handwritten signature in cursive script that reads "William J. Perry". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Enclosures